



## **Cost Savings Student Access Policy Research**

### The Benefits of the Midwest Student Exchange Program

Testimony to the joint meeting of the Wisconsin Senate Higher Education and Tourism Committee and the Assembly Committee on Colleges and Universities



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## **Executive Summary**

The State of Wisconsin joined the Midwestern Higher Education Compact (MHEC) in 1994, one of ten Midwestern states affirming its belief that higher education can be advanced through interstate cooperation and resource sharing. This unique collaboration across state lines has enabled MHEC to mold into a unique organization with three core functions: cost savings, student access and policy research. MHEC seeks to fulfill its interstate mission through programs and services targeted towards these three core functions.

The Midwest Student Exchange Program (MSEP) was created to provide increased educational opportunities for students in the Midwest while promoting access and affordability in higher education. The MSEP is a MHEC program that Wisconsin currently does not participate in though the benefits could assist higher education institutions in Wisconsin as well as increase access and affordability for Wisconsin residents. Wisconsin participation in the MSEP would be beneficial for the following reasons:

- Students and their families save significant money
- Individual campuses within a state can use the program as an enrollment management tool
- Campuses can focus program offerings
- States or regions can focus programs on workforce development efforts
- States can plan a broad enrollment strategy rather than a hit and miss strategy through unilateral actions
- Institutions participating in the program get increased marketing exposure through the MSEP bulletin and brochures and the MHEC website (students interested in the MSEP serve as the number one visitor to the MHEC website based on user trend statistics)
- Educational opportunities are expanded for Wisconsin residents

Participation in the MSEP begins when the state higher education executive office endorses the program by signing the participation agreement which in turn allows any institution in that state to voluntarily join the MSEP. Through the MSEP, MHEC continues to expand access to affordable postsecondary opportunities for Midwest students

## **What is the Midwestern Higher Education Compact (MHEC)?**

The Midwestern Higher Education Compact (MHEC) is one of four interstate compacts in the nation created by compact statute to assist Midwestern states in advancing higher education through interstate cooperation and resource sharing. MHEC was established in 1991 and serves ten Midwestern states: Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio and Wisconsin.

The Compact seeks to fulfill its interstate mission through programs that:

- enhance productivity through reductions in administrative costs
- encourage student access, completion and affordability
- facilitate public policy analysis and information exchange
- facilitate regional academic cooperation
- encourage quality educational programs and services in higher education

Each member state appoints five individuals to a 50-member Commission of legislators, higher education and education leaders and governors' representatives, which governs MHEC. Member state obligations, program fees and foundation grants finance MHEC activities, directed towards regional collaboration and the achievement of outcomes that could not be realized by institutions and systems acting independently.

This regional collaboration across state lines has enabled MHEC to mold into a unique organization with three core functions:

- Cost Savings for institutions and states
- Student Access to diverse and affordable postsecondary opportunities
- Policy Research for policy makers and leaders

## **How does Wisconsin benefit from MHEC?**

The State of Wisconsin has saved more than \$6.0 million from using MHEC programs since 1994. In 2003-04 Wisconsin realized \$800,000 of savings to its entities and citizens from using MHEC programs. In addition to the cost savings benefits, MHEC provides policy research through several channels, including preparing over 40 policy indicators comparing Wisconsin's postsecondary performance to other MHEC states annually in briefs and reports. Through the MHEC online Postsecondary Education Resource Library (The Midwest PERL), over 600 reports on salient postsecondary policy issues are available to Wisconsin policy makers. In terms of student access, the

Midwest Student Exchange Program is a MHEC program that Wisconsin currently does not participate in though the benefits for greater enrollment could assist higher education institutions in Wisconsin.

### **What is the Midwest Student Exchange Program (MSEP)?**

Since 1994, MHEC has been expanding access and providing more affordable educational opportunities for students to attend out-of-state institutions at reduced costs. The Midwest Student Exchange Program (MSEP) offers reduced tuition rates to students in the states of Kansas, Michigan, Minnesota, Missouri, Nebraska and North Dakota and serves as the Midwest's largest multi-state tuition reciprocity program. Over 125 campuses from the participating states have opened their doors to students at reduced rates.

### **Why was the MSEP created?**

The MSEP was created to provide increased educational opportunities for students in the Midwest while promoting access and affordability in higher education, which is a key priority for the Midwestern Higher Education Compact.

### **How does a state and its institutions participate in the MSEP?**

In order for a college or university to participate in the MSEP, the state higher education executive office (SHEEO) must endorse the program by signing the State Participation Agreement (see Appendix A) and appointing a representative to the MSEP Council. The state-level representative will be responsible for collecting data on campus enrollment as well as updating program information for the state's participating campuses. At this time, any institution in that state can voluntarily join the MSEP by completing the Institutional Participation Declaration (see Appendix B). Institutions participating in the MSEP have the ability to tailor the program to their individual campus needs. For example, an institution may select only those degree programs it wishes to increase enrollment in and limit the programs that are already popular among students. The admission requirements are set by each campus along with the available programs of study.

The following qualifiers can be added to state and/or campus enrollment requirements:

- Available degree programs of study
- Overall limit of MSEP students a campus will admit

- A limit on the number of MSEP students a campus will admit in a particular degree program of study
- Minimum high school GPA score
- Minimum ACT and/or SAT score
- Limit to full-time students only
- Limit to degree levels, i.e.: only undergraduate programs
- Classifying the MSEP as a form of financial aid or a tuition rate
- Setting a special admission deadline for the MSEP
- MSEP status renewal requirements

Each state and/or campus is strongly encouraged to list in detail its enrollment requirements in the MSEP Bulletin. A state and/or campus must place the same limits and requirements on all prospective students from all participating states. A state can only qualify admission requirements and limits on institutions participating in its state.

### **How does the MSEP work?**

Public institutions enrolling students under the MSEP agree to charge no more than 150% of the in-state resident tuition rate, while private institutions offer at least a 10% reduction on their tuition rates. Actual savings through the program will vary from institution to institution. Overall, the MSEP saves students approximately \$8.0 to \$10.0 million per year.

The MSEP status is retained as long as the student is enrolled in the program to which he/she was originally admitted and is making satisfactory progress towards a degree. Extension of the MSEP tuition privilege to students already enrolled is at the discretion of the institution.

### **How do students enroll under the MSEP?**

To apply for admission as an MSEP student, students are asked to get in touch with the campus MSEP contact (which is typically the office of admissions) at the participating MSEP institution. Each student should mark prominently on the institution's application form that he/she is seeking admission as an MSEP student. Special restrictions on enrollment may apply. Residents of states participating in the MSEP may enroll in programs in other participating states only at the level at which their home state admits students. All of the enrollment and eligibility decisions for the program are made by the institution.

## How is the MSEP marketed to prospective students?

The MHEC office is responsible for serving as first stop for students interested in the MSEP. A Director of Student Initiatives is assigned at 50% time to coordinate and oversee the program. This Director responds to daily inquiries from students and parents and keeps the MSEP website up to date. Students primarily learn about the program through the Internet and scholarship searches such as the College Board and Peterson's Guide.

In addition, the MHEC office works with the MSEP state-level representative to collect data and bulletin information on a regular basis. The bulletin is a detailed document that lists all the participating institutions and their requirements and campus contacts. In the spring, state-level representatives work with the participating institutions to update the bulletin directory listings. The MHEC office prepares, prints and distributes bulletins and brochures to the state offices. Each fall over 11,000 bulletins and 20,000 brochures are printed and distributed in the six participating states. The state coordinating offices are responsible for mailing a copy of all the materials to the high school guidance counselors in that state, along with participating institutions.

Participating campuses are strongly encouraged to post their MSEP requirements and campus contact on their websites, as students are increasingly turning to the Internet for college resources.

## What are the typical program enrollments by state?

The following table outlines program enrollment by the student's home state of residence through the 2004-05 school year. Detailed data can be found in Appendices C and D.

**Table 1: MSEP Enrollment by Student's Home State of Residence**

State	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
KS	49	99	162	563	793	953	1,098	1,221	997	830	730	7,495
MI	56	103	130	130	190	226	212	254	287	279	212	2,079
MN	15	35	38	62	62	56	75	101	117	152	135	848
MO	118	127	123	107	152	212	231	221	240	321	284	2,136
NE	128	186	332	451	529	599	691	672	784	701	714	5,787
ND							0	3	11	14	20	48
Other							226	238	249	235	251	1,199
Total	366	550	785	1,313	1,726	2,046	2,533	2,710	2,685	2,532	2,346	19,592

The next table outlines program enrollment by the student's state of enrollment through the 2004-05 school year.

**Table 2: MSEP Enrollment by Student's State of Enrollment**

State	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	Total
KS	147	124	136	154	152	194	253	257	286	253	275	2,231
MI	0	20	12	11	15	12	237	247	268	253	272	1,347
MN	123	217	302	268	393	450	407	434	532	498	422	4,046
MO	89	179	320	847	1,111	1,332	1,563	1,631	1,399	1,257	1,124	10,852
NE	7	10	15	33	55	58	73	74	105	109	107	646
ND	0	0	0	0	0	0	0	67	95	162	146	470
Other												
Total	366	550	785	1,313	1,726	2,046	2,533	2,710	2,685	2,532	2,346	19,592

**What are the current Wisconsin student migration patterns?**

A detailed listing of Wisconsin migration patterns can be found in Appendix E. In 2002, 7,039 first-time Wisconsin freshman entering college within one year of high school graduation enrolled in an institution outside of Wisconsin. Of those 7,039 students, 5,439 (77.3%) remained in the Midwest, while 1,600 (22.7%) students enrolled in schools outside the Midwest. In other terms, of those 7,039 students, 4,928 students enrolled at institutions in one of the other nine MHEC states, (70%), while 2,111 (30%) enrolled at a school not located in one of the other nine MHEC states.

45.3 percent of first-time Wisconsin freshman students who migrated out of Wisconsin in 2002 within one year of high school graduation enrolled at a Minnesota school.

In the same year, 7,083 first-time freshman entering college within one year of graduation migrated into Wisconsin. As a result, Wisconsin received a net import of 44 first-time freshman students. Wisconsin drew 41.0 percent (2,905) of import students from Minnesota and 34.5 percent (2,443) from Illinois.

738 students migrated to participating MSEP states in 2002, or 15.0 percent of all students who migrated out of Wisconsin as first-time freshman. 386 students migrated into Wisconsin from MSEP states in 2002, or 6.5 percent of all imported first-time freshman.

**How can Wisconsin benefit from the MSEP?**

There are significant benefits to Wisconsin joining the program. These are:

- Students and their families save significant money
- Individual campuses within a state can use the program as an enrollment management tool

- Campuses can focus program offerings
- States or regions can focus programs on workforce development efforts
- States can plan a broad enrollment strategy rather than a hit and miss strategy through unilateral actions
- Institutions participating in the program get increased marketing exposure through the MSEP bulletin and brochures and the MHEC website (students interested in the MSEP serve as the number one visitor to the MHEC website based on user trend statistics)
- Educational opportunities are expanded for Wisconsin residents



## **Appendix A The Midwest Student Exchange Program State Participation Agreement**

The Midwest Student Exchange Program (MSEP) is an arrangement among interested Midwestern Higher Education Compact (MHEC) member states through which states may list undergraduate and graduate programs (including professional programs) or institutions in which they are prepared to enroll students from other MHEC states, within specified numbers if desired, at a reduced proportion of the institution's regular tuition charge.

The program, involving reciprocal reduction of tuition by the participating states, expands educational opportunities for students and facilitates more efficient use of resources at the institution or the program level. At a time when conservation of resources and avoidance of needless duplication are of concern in all states, reciprocal arrangements provide a tool for use in both institutional and state-level academic planning.

For these reasons, the State of \_\_\_\_\_, acting through its \_\_\_\_\_, joins with other states through the Midwestern Higher Education Compact in creating the Midwest Student Exchange Program. This action attests to the State's interest in the creation of an agreement through which Midwestern states may maintain or expand the range of educational programs available to their residents and supplement enrollments in designated institutions or programs, as each state's needs, plans, and decisions indicate. This agreement does not commit the state to receive or to send students in the MSEP at any time; active exchange of students may occur when the state finds that to be advantageous. Bilateral agreements for exchange of students may exist.

The program will operate with reference to the following general conditions and responsibilities of the parties. It is to be expected that experience with the program will suggest modifications from time to time. Such modifications may become effective as agreed upon by the Council

(see following section), except that the Council or MHEC staff will recommend to the Compact policies and procedures that in the judgment of either may have significant impact on the program. Notwithstanding any other review of MSEP that may be undertaken, a thorough assessment of the program and its outcomes will be undertaken by MHEC and participating states each four years, with a report to the Compact.

## **General Conditions**

1. MHEC will establish the Midwest Student Exchange Program Council, comprising one member designated by the appropriate postsecondary education authority in each state that elects to execute this Agreement, and four at-large members chosen by the Compact representing the doctoral research universities, regional universities and colleges, community and technical colleges, and the independent institutions. Each council member shall have one vote. The Council will be supported by a MHEC staff member designated by the President; this staff member will serve as Council chair. The Council will encourage and facilitate requests of participating states for the inclusion in MSEP of degree programs to which such states desire access for their students; prepare a listing of programs and institutions ready to receive MSEP students in the following year; assess the operation of the program; and recommend policies and procedures to support the administration of the agreements set forth herein.

2. Programs in public institutions designated by the participating states shall be open to MSEP students at 150 percent of the regular tuition\* charged resident students in the same program/institutions. Independent institutions are encouraged to participate as well, and may do so by making programs available to MSEP students at a reduction from their regular tuition of at least 10 percent. In certain high cost professional fields, as approved by the Council, admission as an MSEP student may entail payment, by the student's home state or by the student, of an additional amount. These tuition policies for MSEP students may be changed by the Compact upon recommendation of the MSEP Council, for any academic year beginning at least one calendar year from the date of the Compact action.

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\* For purposes of this program, "tuition" is defined as the basic, comprehensive multipurpose educational charge all students are required to pay as a condition of enrollment. This charge may or may not be known as "tuition." Other designations may include educational fee, registration fee, incidental fee, or perhaps others. "Tuition" does not include special fee charges such as student activity and required insurance assessments.

3. MSEP tuition is to be available to admitted students while the student continues in the program in which admitted as a MSEP student. Change to another program (in the same or a different institution) may be made at the reduced tuition level only if the new program is also open to MSEP students and the change is approved by the institution.

4. MSEP programs in public institutions shall be available to students only at the degree level at which the student's home state agrees to receive MSEP students--i.e., a student may enroll in a public institution at the associate, baccalaureate, or graduate level only if his/her home state agrees to receive MSEP students from other participating states at the same level.

5. Admission of students to designated programs is exclusively a decision of each participating institution. However, in determining eligibility for MSEP tuition, any differences of view that cannot be resolved between institution and student will be resolved at the state level under procedures established by the state (normally, by the state postsecondary education authority).

### **Responsibilities of States**

1. In each state the appropriate postsecondary education agency will designate a single person as MSEP liaison and as a member of the MSEP Council. A state may identify additional persons to work with the designated liaison; it may send such persons to Council meetings as observer-participants, without vote. Council members will be expected to participate in meetings of the Council. Council members may, however, provide for an authorized representative, with vote, if unable to attend.

2. Through procedures established by each state, the liaison will identify institutions and/or programs that will admit MSEP students. While normally, institutions will admit MSEP students to the eligible programs on a "space available" basis, institutions/ states may provide for limitations of numbers at the program, institution, or statewide level. The state liaison will be prepared to submit information concerning institutions/programs that will receive MSEP students, and any limitations, annually as required in the operation of the program.

3. Each participating state is encouraged to identify fields, programs, and institutions in other participating states to which it would like to have access for its residents. The MSEP liaison person should be informed concerning such requests or inquiries; he/she in turn will so advise the MHEC program coordinator and liaison persons in the other

affected states, at the earliest possible time. MHEC will take all steps appropriate to encourage inclusion of such requested programs in the Exchange.

4. Each participating state is responsible for publicizing throughout the state the opportunities available to its residents through MSEP. Among other means, the state will distribute widely to school counselors, parents and students an annual catalog describing MSEP and listing institutions and programs available to its residents, as well as instructions as to how interested students may apply (applicants simply indicate "MSEP Applicant" on their admissions applications). The annual listing of available institutions and programs will be compiled by MHEC.

5. The state will take steps to assure necessary institutional record-keeping and reporting to enable the appropriate state agency, through the MSEP liaison, to provide MHEC each fall a list and report of MSEP students by state of their residency, institution and program in which enrolled, and year of MSEP status (i.e. 1st, 2nd, 3rd, 4th). Where state higher education structure makes different reporting arrangements appropriate, the MSEP liaison will negotiate arrangements with MHEC staff that are mutually acceptable.

6. The state agrees that the MSEP tuition status of any student will be continued during that student's satisfactory progress or approved leave status in the program in which admitted, without regard to termination of MSEP participation by either the sending or the receiving state.

### **Responsibilities of MHEC**

1. MHEC will convene the MSEP Council annually or as MHEC or the Council deem necessary to review operations, policies, and procedures and to formulate recommendations for the Program. The MHEC staff coordinator will provide the Council information and support appropriate for its monitoring role and its role in advising the MHEC President and Compact of any problems, needed changes, etc.

2. MHEC will compile the annual listing of institutions/ programs and conditions applying thereto, and will make the relevant information available to each participating state either in print or in computer-usable form.

3. Annually, MHEC will survey liaisons (or other persons designated by the state, as agreed upon by MHEC) for all MSEP enrollment

information to be summarized and reported to the MSEP Council and others for assistance in monitoring and evaluating the program.

This instrument shall be effective upon signature by the state and MHEC. Participating states may send and/or receive students in the Midwest Student Exchange Program at any time under the policies and procedures stated above.

Adopted by Midwest Student Exchange Program Council  
January 19, 1993

For the Midwestern Higher  
Education Compact:

For the State of \_\_\_\_\_

\_\_\_\_\_  
President

\_\_\_\_\_

\_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

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**Appendix B**  
**The Midwest Student Exchange Program**  
**Institutional Participation Declaration**

Institution: \_\_\_\_\_ Date: \_\_\_\_\_  
State: \_\_\_\_\_ Phone: \_\_\_\_\_  
Contact: \_\_\_\_\_ E-Mail: \_\_\_\_\_  
Title: \_\_\_\_\_ Fax: \_\_\_\_\_  
Address: \_\_\_\_\_

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This document is intended to signify the desire of this higher education institution to participate in the Midwest Student Exchange Program (MSEP) as defined in the Participation Agreement adopted by the participating state. This institution specifically acknowledges that participation in this agreement requires that it will undertake the following commitments, as well as such other actions that may be required from time to time by the Participation Agreement.

- a. Students admitted under the Midwest Student Exchange Program will be charged a tuition fee that is no more than 150% of regular in-state tuition when attending a public institution. Students admitted to an independent institution under this exchange program should receive at least a 10 percent reduction in the posted regular tuition.
- b. Once a student is admitted to a program under the exchange agreement, that student shall continue to receive the discounted fee as long as he or she remains in the program (or has an approved leave of absence) and maintains satisfactory academic progress regardless of the subsequent status of the Participation Agreement or the institution's participation in the exchange program.
- c. The institution agrees to provide the state contact in a timely manner all data requested by the Midwestern Higher Education Compact to document exchange student participation.

\_\_\_\_\_  
Signed by Chief Executive Officer or Designate

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